

RJR / WAL★MART MODULAR IMPLEMENTATION GUIDELINES / OVERVIEW

Wal★Mart has grouped all stores into five large geographic regions. Because of the size of the regions, RJR's brand selection for the POGs is not as specific as we would like. You may adjust RJR brands within RJR's allocated space as you deem necessary to maximize customer satisfaction and eliminate out-of-stock conditions. There may be brands you need for a particular store that are not on the POG. You will need to work with each store individually to handle your special needs.

- ① All stores have been advised from Wal★Mart's home office of the upcoming POG changes via satellite on May 23. Buyer Jerry Sanders will continue to communicate to the stores every Tuesday on this subject. The new POGs should be available chain-wide through the in-store computer system on May 30, for the stores to start implementing. A hard copy of the modulars (POGs) is coming to you under separate cover to use when assisting the stores. A product distribution from McLane is going to all stores the week of May 29 in anticipation of the new POGs. This should ease out-of-stock conditions and help the stores allocate space.
- ② Determine with store management and cigarette department head when they intend to re-set the new plan. We should advise them that as soon as they re-set, RJR will be in to promote RJR products and assist in tagging, fine-tuning space, etc. If the store requires assistance to convert, we should plan to be there to ensure RJR space, position, and distribution are correct.
- ③ There will be 8', 12', 16' sets. RJR will be getting 30%, 31%, 32%, and 34% of capacity, depending on an inverted SOM scale. RJR 30% stores are high PM SOM stores. RJR 34% stores are lower PM SOM stores.
- ④ Mechanics/procedures to reset should start with unloading product from shelves 3-6, and then adjusting shelf heights and wire dividers. The new shelf heights (# cartons high) are from the top: 6,6,4,6,6,4. Our percentage of space is based on these shelf heights, so it is vital they be set correctly. In most cases, RJR will be on the 4th and 5th shelves.
- ⑤ There is a column on your Division Store List Spreadsheet for the "installation week," please input date store is converted and FAX to 2544 as done. Do not hold until complete, we have to report to Wal★Mart on June 16 and June 30, conversion status by store. All stores must be complete on July 14.
- ⑥ No retail contracts should be entered for any Wal★Mart Division into SIS, therefore, your people cannot enter non-compliance at store level. Division 2544 should be advised of all stores refusing to re-set to the new modular.
- ⑦ If your people have a problem at store level with a re-set, they should call Marty Washburn at 1-800-432-7578 WHILE IN THE STORE.